



September 22, 1995

Brewster Kahle
8619 Westwood Center Drive
Vienna, VA 22182-2285

Dear Brewster:

On behalf of the Board of Directors and Stock Compensation Committee, I am pleased to inform you that you have been awarded a Non-qualified Stock Option (NQSO) to purchase 93,959 shares of common stock of America Online, Inc. at a per share price of \$37.25 which shall vest in equal installments over a four-year period.

Enclosed are two copies of your NQSO agreement. Please read, sign (on page 8 only) and return both copies of the agreement to Christine Mlakar within ten days of receipt of this letter. She will have both copies signed and return one copy to you for your records.

Also enclosed is a copy of the company's "1992 Employee, Director and Consultant Stock Option Plan" for your files.

For your information, also enclosed is a summary of the tax treatment of exercising Non-qualified Stock Options and the sale of stock obtained pursuant to the exercise of a Non-qualified Stock Option. As this is only a summary and the tax implications of option stock transactions may be impacted by factors specific to an individual, it is recommended that you consult with a tax advisor.

Sincerely,

Stephen M. Case
President and CEO

Enclosures

